the issue relating to introduction of a uniform sales tax on petroleum products all over the country;

(b) if so, the details thereof; and

(c) the action taken by Government to declare petroleum production as declared goods so that these were priced uniformly all over the country?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) to (c) Yes, Sir. The Parliamentary Standing Committee on Petroleum and Natural Gas had recommended for declaration of petroleum products as 'Declared Goods' so as to have uniform sales tax on such products in the country. No decision has been taken by the Government in this regard.

Exempting ONGC from Customs Duty

2732. SHRI SOLIPETA RAMACHANDRA REDDY:
SHRI C. RAMACHANDRAIAH:
SHRI JANESHWAR MISRA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Oil and Natural Gas Corporation has asked Government to exempt it from the customs duty on equipment for parity with foreign companies;

(b) if so, the reasons for disparity when foreign companies are allowed to import; and

(c) the measures proposed to ensure that ONGC remains profit making organisation?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) Yes sir.

(b) Prior to 1.4.1998, the crude oil price payable to oil producing companies, including ONGC, was determined on a cost plus basis, hence they were compensated for the burden of import duties through the Administered Pricing Mechanism (APM).

(c) The cost plus formula for crude pricing has been replaced with market determined pricing with effect from 1.4.1998. Therefore, the specified goods imported by ONGC/OIL or their sub-contractors for petroleum operations under Petroleum Exploration Licenses and Mining Leases granted to ONGC and OIL have now been exempted from the whole of the duty of the customs leviable thereon, vide Sl. No. 182 of Notificaiton No. 20/99-Customs dated 28.2.99.

The withdrawal of customs duty on import of goods and services by ONGC will have a positive impact on the company's profitability. Simultaneosly, ONGC have taken various other measures to reduce cost and increase productivity thereby improving profitability. ONGC has been constantly making profit.

Revision of Diesel Prices

2733. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minsiter of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether price of diesel has to be revised every month as per Government Policy depending on World prices;

(b) the number of times the price has been revised during the last ten months and;

(c) the reasons for not implementing the policy?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) to (c) Government announced a comprehensive package to end the oil pool deficit on September 1, 1997. The Government also decided that the price of HSD would be on import parity basis to be fixed